

VZCZCXYZ0000
RR RUEHWEB

DE RUEHAM #7687 2830632
ZNR UUUUU ZZH
R 100632Z OCT 06
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 4692
INFO RUEHC/DEPT OF LABOR WASHDC

UNCLAS AMMAN 007687

SIPDIS

SIPDIS

State Pass USTR/Karesh

E.O. 12958: N/A

TAGS: [ELAB](#) [ETRD](#) [EAID](#) [PHUM](#) [JO](#)

SUBJECT: First-Ever Labor Forum Held During U.S.-Jordan Free Trade Agreement Talks

¶1. (U) SUMMARY: Jordan's Ministry of Industry and Trade hosted its first-ever Labor Forum as part of the U.S.-Jordan FTA Joint Committee 2006 meetings. Minister of Industry and Trade (MoIT) Zu'bi stressed that the GoJ would have "zero tolerance" for labor violations, while at the same time re-affirming GoJ support for export-oriented sectors like textiles. Minister of Labor (MoL) Salem and AUSTR for Labor Lewis Karesh chaired the meeting. Participants included government officials, QIZ estate owners, factory owners, representatives of US buyers and chambers of commerce, and the ILO. Representatives of worker rights groups were few, highlighting the relatively small impact they have in labor discussions to date. The Minister of Labor used the Labor Forum to describe the details of labor reform legislation (reftel) he plans to introduce in the December session of Parliament. He also re-iterated the need for greater technical capacity in his ministry.

While all present welcomed changes to the current labor law, numerous participants urged the government to set a timeline for implementation of the proposed reforms which, of course, will need to be passed by Parliament. Buyers said they preferred local labor to foreign labor, but there were not enough Jordanians willing to work and training programs were too weak to recruit capable workers.

END SUMMARY.

¶2. (U) Minister of Industry and Trade Zu'bi began the Labor Forum on September 18 by stressing the zero tolerance policy of the GoJ for labor violations, while he also reaffirmed GoJ support for export-oriented sectors like textiles. Minister of Labor Bassem Salem then briefed participants on a bill to change the current labor law. He plans to introduce it during the session of Parliament that will begin November 28. Highlights include clarification of the definition of wages, working hours, and overtime. Additional changes include stricter penalties - including imprisonment - for harassment, sexual assault, and forced labor. Coverage under the labor law will also be expanded to include domestic workers, a sector of the worker base that is pre-dominantly foreign and particularly vulnerable to exploitation.

¶3. (U) Rashed Darwazeh, chairman of JGATE (the textile industry's major business association), urged GoJ officials to ensure that implementation of legal changes was "realistic" and could be implemented "in a realistic time frame." He said the root of the labor problem was the short supply of labor in Jordan, which leads owners and investors to condone exploitative labor practices to extract higher productivity. According to Darwazeh, fixing this problem should be the primary aim of the government. A clear 3-5 year plan from the GoJ that shows how it plans to deal with the labor shortage is key to foreign investment. These sentiments were repeated by factory owners and buyer representatives. An American buyer representative at the Forum, Vikas Mehra from Jones New York, Inc., went so far as to say that Jones would find it impossible to determine the costs for 2007 orders if the Minister did not have a more specific plan on the particular legal changes envisioned and when they would be implemented. Mehra noted that Jones New York buys almost twenty percent of all 14 extihmshiglds for "r|E US.\$y^dM`hqCpurfig%3 fos (QQ=Panoms8Q)Rk^Q-asw\$yQzQ>.Q*Q52M~mQQdA*? id

4cbWaQpF>n] & Qenforcement process. All factory owners in attendance were supportive of what was being done. However, they largely represented influential companies that had not been negatively affected by moves of workers to factories with better working conditions.

¶ 15. (SBU) COMMENT: The lack of worker rights representative groups attending the Labor Forum likely limited the potential for negative feedback. Their absence speaks more to the weakness of union representation in Jordan - especially as it relates to foreign workers - however, than to anyone's exclusion from the session where they would have been welcome. AFL-CIO-affiliated Solidarity Center remains the strongest worker advocate group on the ground, and its leadership was unfortunately not in country during the Forum. Nevertheless, this Labor Forum was the first occasion to bring together most of the stakeholders involved in improving the labor conditions in Jordan's garment factories. Post will follow up vigorously on the proposed changes to the Labor Law announced at the Labor Forum. END COMMENT.

¶ 16. (U) This message was cleared by AUSTRs Donnelly and Karesh after their departure.

RUBINSTEIN